

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**USE OF FOREIGN COMPARATIVE TESTING
PROGRAM FUNDS FOR THE BOL EXPENDABLE
COUNTERMEASURES DISPENSER**

Report No. 98-047

January 15, 1998

Department of Defense

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



January 15, 1998

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
AND TECHNOLOGY
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)**

**SUBJECT: Audit Report on Use of Foreign Comparative Testing Program Funds for
the BOL Expendable Countermeasures Dispenser (Report No. 98-047)**

We are providing this final audit report for your information and use. Management comments on a draft of this report were considered in preparing the final report.

Comments on the draft of this report conformed to the requirement of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional response is necessary.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. John E. Meling, Audit Program Director, at (703) 604-9091 (DSN 664-9091) or Mr. Harold C. James, Audit Project Manager, at (703) 604-9093 (DSN 664-9093). See Appendix B for the report distribution. Audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 98-047

(Project No. 7AE-0039.01)

January 15, 1998

Use of Foreign Comparative Testing Program Funds for the BOL Expendable Countermeasures Dispenser

Executive Summary

Introduction. This report is the first in a series of reports addressing the Foreign Comparative Testing Program (Testing Program). The objective of the Testing Program is to test and evaluate foreign nondevelopmental items to determine whether the items satisfy U.S. military requirements. In March 1996, the Air Force F-15 System Program Office submitted a proposal to the Testing Program Office for the BOL Expendable Countermeasures Dispenser (BOL Dispenser). The BOL Dispenser has the potential to enhance the survivability and mission effectiveness of the F-15 aircraft. The Air Force requested \$2.25 million to fund the proposal.

Audit Objective. The primary audit objective was to determine whether DoD system acquisition managers were considering and using the Testing Program when formulating acquisition strategies. We also reviewed implementation of management controls applicable to the audit objective.

Audit Results. The F-15 System Program Office began testing the BOL Dispenser for the F-15 aircraft without submitting required documentation to the Program Manager for the Testing Program to show that use of Testing Program funding was warranted. As a result, the Program Manager for the Testing Program planned to allocate \$1.6 million of limited Testing Program funds to continue the project, which does not have an executable plan to support the Air Force decision authority in making a procurement decision for the BOL Dispenser. See Part I for details. Management controls were adequate as they applied to the audit objectives. Appendix A contains a discussion of our review of the management control program.

Summary of Recommendations. We recommend that the F-15 System Program Director provide the Program Manager for the Testing Program with approved integration and operational test plans and Air Combat Command documentation showing its intent to budget procurement funds in the Program Objective Memorandum 2000 for the BOL Dispenser project. We also recommend that the Program Manager for the Testing Program delay allocating additional funding to the BOL Dispenser project until the Air Force provides the required information. If the documentation is not provided, then the Program Manager should cancel the BOL Dispenser project.

Management Comments. The F-15 System Program Director and the Director, Test, Systems Engineering and Evaluation, responding for the Program Manager for the Testing Program, concurred with applicable recommendations. The Directors provided expected completion dates for planned corrective actions. See Part I for a discussion of management comments to each recommendation and Part III for the complete text of management comments.

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Part I - Audit Results

Audit Background

This report discusses the use of the Foreign Comparative Testing Program (Testing Program) to fund a Swedish contractor's expendable countermeasures dispenser for potential use on the Air Force F-15 aircraft.

Testing Program. Section 2350a(g) of Title 10, United States Code, "Cooperative Research and Development Projects: Allied Countries," authorizes the Secretary of Defense to perform side-by-side testing to determine whether foreign technologies and equipment can be used to satisfy U.S. military requirements. In 1989, DoD established the Testing Program to satisfy the Title 10 requirement. The objective of the Testing Program is to test and evaluate foreign nondevelopmental items to determine whether the items satisfy U.S. military requirements or address mission area shortcomings. DoD guidance relevant to the Testing Program is provided in DoD Manual 5000.3-M-2, "Foreign Comparative Testing Program Procedures Manual," January 1994. The Testing Program receives separate funding in a program element included in the Office of the Secretary of Defense, Test, Systems Engineering and Evaluation, budget. The Program Manager for the Testing Program functions under the Director, Test, Systems Engineering and Evaluation.

DoD policy is to fulfill military requirements through the acquisition of commercial and nondevelopmental items to the maximum extent practicable. The Testing Program is intended to reduce the overall DoD acquisition costs by facilitating the procurement of successfully tested foreign nondevelopmental items instead of developing comparable items domestically. The Testing Program also strengthens U.S. relationships with allied and friendly nations and provides for accelerated fielding of equipment critical to the readiness and safe operations of U.S. forces. Sponsoring organizations in the Army, the Navy, the Air Force, and the U.S. Special Operations Command nominate foreign nondevelopmental item candidates for the Testing Program.

BOL Expendable Countermeasures Dispenser. In March 1996, the Air Force F-15 System Program Office submitted a proposal to test the BOL Expendable Countermeasures Dispenser (BOL Dispenser) over 2 years. The Review and Selection Committee for the Testing Program approved the Air Force project proposal for a total of \$2.25 million. In FY 1997, the Program Manager for the Testing Program provided the first-year installment of \$650,000 to the

F-15 System Program Office to test the BOL Dispenser. In FY 1998, the Program Manager for the Testing Program plans to provide the F-15 System Program Office with the remaining \$1.6 million to complete the project.

The BOL Dispenser has the potential to enhance survivability and mission effectiveness of the F-15 aircraft against enemy targeting by dispensing expendable material, such as chaff, when threats are detected while the aircraft is in flight. The discharge of expendable material makes it more difficult for enemy targeting devices to accurately lock on to the aircraft. The BOL Dispenser will increase the expendable material payload of the aircraft by nearly three times. The Air Force plans to use the BOL Dispenser along with the ALE-45 Countermeasures Dispensing Set already on the F-15 aircraft. Celsius Tech Electronics of Sweden originally developed the BOL Dispenser for the Swedish Viggen aircraft. At the time of the audit, the U.S. Navy was using the BOL Dispenser on the F-14 Tomcat aircraft, and the United Kingdom was using the BOL Dispenser on the Harrier and Tornado aircraft.

Audit Objective

The primary audit objective was to determine whether DoD system acquisition managers were considering and using the Testing Program when formulating acquisition strategies. This report on the use of Testing Program funds for the BOL Dispenser is the first in a series of reports addressing the Testing Program. We also reviewed the implementation of management controls applicable to the use of Testing Program funds for the BOL Dispenser. In Appendix A, we discuss the scope and methodology used to accomplish the audit objective as well as management controls and prior audit coverage.

BOL Expendable Countermeasures Dispenser

The F-15 System Program Office began testing the BOL Dispenser for the F-15 aircraft without submitting required documentation to the Program Manager for the Testing Program to show that use of Testing Program funding was warranted. The BOL Dispenser project lacked documentation because the Review and Selection Committee for the Testing Program approved and funded the proposal without requiring the F-15 System Program Office to submit a complete test plan and documentation showing that the Air Force Air Combat Command intended to procure the BOL Dispenser if it passed testing and demonstrated best value. As a result, the Program Manager for the Testing Program planned to allocate \$1.6 million of limited FY 1998 funding to continue a project that does not have an executable plan to support the Air Force decision authority in making a procurement decision for the BOL Dispenser.

Testing Program Policy and Proposal Submission Process

Policy. DoD Regulation 5000.2-R, Section 3.4.10, "Foreign Comparative Testing," states that the Testing Program provides funding for test and evaluation of selected equipment items and technologies developed by allied countries when the items and technologies are identified as having good potential to satisfy valid DoD requirements.

Proposal Submission Process. DoD Manual 5000.3-M-2, "Foreign Comparative Testing Program Procedures Manual," January 1994, requires DoD Components to submit proposals for Testing Program funding to the Review and Selection Committee for the Testing Program by the first of June each year. The Review and Selection Committee is responsible for reviewing and approving proposals submitted for funding. The manual specifies the documentation that the Services must include in their proposals to be considered for Testing Program funding. The manual states that proposal sponsors should provide approved test plans, including estimates of testing costs, to the Program Manager for the Testing Program before the start of testing. Additionally, the manual requires that proposal sponsors ensure the budgeting of adequate procurement funding to purchase the foreign products if testing is successful and the product demonstrates best value.

Submission of Required Documentation Before Testing

In July 1996, the Review and Selection Committee approved the BOL Dispenser proposal assuming that the F-15 System Program Office would promptly provide the required testing information and would provide documentation showing that the Air Combat Command intended to fund and procure the BOL Dispenser. In October 1997, the F-15 System Program Office began testing the BOL Dispenser for the F-15 aircraft but had not provided the required documentation to the Program Manager of the Testing Program to show that use of Testing Program funding was warranted. Since then, the F-15 System Program Office still has not provided complete, approved test plans or obtained documentation from the Air Combat Command showing that it intends to fund and procure the BOL Dispenser.

Testing and Funding Needed to Procure the BOL Dispenser

The F-15 System Program Office did not identify the testing and funding necessary to evaluate the F-15 BOL Dispenser for potential procurement. Additionally, the F-15 System Program Office did not ensure that the Air Combat Command intended to procure the BOL Dispenser if testing was successful and if the BOL Dispenser demonstrated better value than other competing items.

Test Planning and Funding. The F-15 System Program Office stated that integration and operational testing, which was not outlined in the BOL Dispenser proposal, was necessary before the Air Combat Command could make a procurement decision for the BOL Dispenser. The Air Combat Command staff proposed conducting Basic Weapon System Interface testing for the BOL Dispenser. The staff believed that the testing was the least costly integration and operational test option and would provide enough test data to make a procurement decision. Through the Basic Weapon System Interface testing, the F-15 System Program Office would be able to verify the integration and independent operational performance of the BOL Dispenser on the F-15 aircraft. However, the F-15 System Program Office had neither written the test plans nor identified funding requirements to support the testing. The F-15 System Program Office indicated that it planned to request that the Program Manager for the Testing Program provide FY 1999 funding to support the testing.

BOL Expendable Countermeasures Dispenser

Procurement Funding. In the March 1996 proposal for the BOL Dispenser, the F-15 System Program Office did not identify funding budgeted to modify the F-15 C/D and E aircraft with the BOL Dispenser, starting in FY 2000. Since March 1996, the Air Combat Command reduced the number of F-15 aircraft that it plans to modify with the BOL Dispenser from 380 aircraft to 164 aircraft. The Air Combat Command reduced aircraft modification quantities based on the results of an analysis using the Air Force Modernization Investment Plan budget model. The budget model was a planning tool that the Air Combat Command used for deciding how to allocate funding requirements when formulating the Program Objective Memorandum. The analysis did not support allocating funds to provide BOL Dispensers for the 216 F-15 C/D aircraft. Although the analysis supported allocating funding to retrofit the 164 F-15 E aircraft with the BOL Dispenser, the Air Combat Command ranked the retrofit ninth of 13 new initiatives not yet funded. In addition to the 13 initiatives addressed in the budgeting model, the Air Combat Command stated that other important initiatives were competing for Air Force funding. At a minimum, the BOL Dispenser retrofit ranked behind at least eight other unfunded initiatives. The F-15 System Program Office estimated that the cost to retrofit 164 F-15 E aircraft would be \$45.5 million (then-year dollars). The Air Combat Command also stated that it would only consider funding the BOL Dispenser retrofit if the analysis using the Air Force Modernization Investment Plan budget model continued to support the retrofit.

Impact of Continuing the BOL Dispenser Project

The Program Manager for the Testing Program planned to allocate \$1.6 million of the limited FY 1998 Testing Program budget to continue a project that does not have an executable plan to support the potential procurement of the BOL Dispenser. The \$1.6 million equates to about 20 percent of the \$7.4 million available for new Testing Program projects in FY 1998. Of the 31 new proposals submitted for funding in FY 1998, the Program Manager for the Testing Program funded only 11 proposals. Some of the unfunded proposals met all of the project funding criteria established in DoD Manual 5000.3-M-2 but were not selected because of limited availability of Testing Program funding. Considering the limited nature of Testing Program funding, the

Program Manager for the Testing Program should withhold further BOL Dispenser funding until the F-15 System Program Office can provide:

- o approved BOL Dispenser integration and operational test plans and
- o Air Combat Command documentation showing its intent to purchase the BOL Dispenser if testing is successful and the BOL Dispenser demonstrates best value.

If the F-15 System Program Office cannot provide the testing information and procurement commitment by January 1998, the Program Manager for the Testing Program should cancel the BOL Dispenser as a Testing Program project.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Director, F-15 System Program Office, provide the Program Manager for the Foreign Comparative Testing Program with approved integration and operational test plans and Air Combat Command documentation showing its intent to budget procurement funds in the Program Objective Memorandum 2000 for the BOL Expendable Countermeasures Dispenser project.

Director, F-15 System Program Office, Comments. The Director, F-15 System Program Office, concurred, stating that the F-15 System Program Office has developed Qualification Testing and Evaluation test plans for technical testing of the BOL Dispenser. The Director further stated that the F-15 System Program Office will provide Qualification Operational Test and Evaluation test plans by July 1, 1998. The Director also provided us with a memorandum from the Air Combat Command stating that the Command intended to budget procurement funds for the BOL Dispenser in the Program Objective Memorandum 2002.

Program Manager for the Foreign Comparative Testing Program Comments. Although not required to comment, the Director, Test, Systems Engineering and Evaluation, responding for the Program Manager for the Testing Program, stated that the F-15 System Program Office had already provided the Testing Program Office with a test plan outline for the first phase of the qualification testing. Also, the Air Combat Command expressed in a letter its intent to budget for the BOL Dispenser project.

BOL Expendable Countermeasures Dispenser

Audit Response. The Director, F-15 System Program Office, comments satisfy the intent of the audit recommendation. Although the attached Air Combat Command memorandum stated that the Command intended to budget procurement funds for the BOL Dispenser in the Program Objective Memorandum 2002, the memorandum also stated that Air Combat Command staff desired to accelerate procurement of the BOL Dispenser to before FY 2002, pending successful results of the test program.

2. We recommend that the Program Manager for the Foreign Comparative Testing Program:

a. Delay providing additional Foreign Comparative Testing Program funding to the BOL Expendable Countermeasures Dispenser project until the F-15 System Program Office implements Recommendation 1.

b. Cancel the BOL Expendable Countermeasures Dispenser project if the F-15 System Program Office does not implement Recommendation 1.

Program Manager for the Foreign Comparative Testing Program

Comments. The Director, Test, Systems Engineering and Evaluation, responding for the Program Manager for the Testing Program, concurred, stating that the F-15 System Program Office had satisfied the audit concerns. As a result, the Program Manager for the Testing Program had immediately allocated funding to continue the BOL Dispenser project. The Director also stated that she would cancel funding from the project if the Director, F-15 System Program Office, did not provide the required test information or if the Air Combat Command ceased to support the BOL Dispenser project.

Director, F-15 System Program Office, Comments. Although not required to comment, the Director stated that the Program Manager for the Testing Program should immediately provide additional funding based on the Director's response to Recommendation 1. A delay in additional funding until the F-15 System Program Office can accomplish the entire first recommendation would essentially kill the program or cause significant restructure. Also, because the Director agreed with Recommendation 1., cancellation of the BOL Dispenser project is not necessary at this time.

Audit Response. The action that the Director, Test, Systems Engineering and Evaluation, proposed satisfies the intent of the audit recommendation, and no further comments are necessary.

Part II - Additional Information

Appendix A. Audit Process

Scope

We conducted this program audit from May through November 1997 and reviewed data from July 1991 through November 1997. The Foreign Comparative Testing Program receives about \$35 million annually to fund testing of foreign nondevelopmental items. As part of our review of the Foreign Comparative Testing Program, we reviewed the proposals submitted for the BOL Dispenser in FYs 1997 and 1998. We reviewed documentation of the Review and Selection Committee concerning whether the proposals complied with proposal submission requirements in DoD Manual 5000.3-M-2. At the F-15 System Program Office, we reviewed documentation on program schedule, funding, and completed and planned test efforts. As of November 1997, the Program Manager for the Foreign Comparative Testing Program had provided \$650,000 in funding, and the Air Force had provided \$20,000 in Air Force funding to test the BOL Dispenser. The Air Force estimated that procurement of 164 BOL Dispensers will cost an estimated \$27.8 million, if testing is successful.

Methodology

We conducted this program audit in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD, and accordingly included such tests of management controls as we deemed necessary. We did not rely on computer-processed data or statistical sampling procedures to develop conclusions on this audit.

Contacts During the Audit. We visited or contacted individuals and organizations within the DoD. Further details are available upon request.

Management Control Program

Requirement for Management Control Review. DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires DoD

managers to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of those controls.

Scope of Review of the Management Control Program. We reviewed the adequacy of management controls related to the process for submitting project testing and funding documentation to the Program Manager for the Testing Program.

Adequacy of Management Controls. Management controls that the Program Manager for the Testing Program established were adequate in that we did not identify any systemic management control weakness applicable to the submission of testing and funding documentation for other testing projects.

Summary of Prior Audit Coverage

During the past 5 years, the General Accounting Office; the Office of the Inspector General, DoD; and the Air Force Audit Agency have not issued any audit reports related to the BOL Expendable Countermeasures Dispenser project.

Appendix B. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
 Director, Test, Systems Engineering and Evaluation
 Program Manager for the Foreign Comparative Testing Program
 Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
 Deputy Chief Financial Officer
 Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Under Secretary of the Air Force (International Affairs)
 Program Manager for the Foreign Comparative Testing Program
Director, F-15 System Program Office
Auditor General, Department of the Air Force

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Director, National Security Agency
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Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information, and Technology,
Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part III - Management Comments

Director, Test, Systems Engineering and Evaluation Comments

The Director, Test, Systems Engineering and Evaluation provided the following memorandum to respond to three draft audit reports related to the Testing Program.



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

8 JAN 1998

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Department of Defense Inspector General Audit Report on the Foreign Comparative Testing Program

The purpose of this memo is to respond to the subject audit report in accordance with the requirements of Department of Defense (DoD) Directive 7650.3.

The following lists the three DoD Inspector General (IG) audit report recommendations for the Office of the Secretary of Defense (OSD) Foreign Comparative Testing (FCT) Program along with the respective response for each IG recommendation.

Audit Report Topic: FCT proposal to test nickel cadmium batteries for use on the Advanced Sea-Air-Land Delivery System vehicle. (Project No. 7AE-0039.00)

IG Summary of Recommendation: The DoD Foreign Comparative Test Program Manager consider the candidate nomination proposal for the battery project in the out-of-cycle project selection process for FY 1998 funding.

Response: The OSD FCT Program Manager (PM) concurs with this recommendation. When the U.S. Special Operations Command formally submits a project proposal for FY 1998 FCT out-of-cycle funding for the battery project, the OSD FCT Office will consider the proposal for out-of-cycle approval based on the merits of the proposal and its adherence to the Program's guidelines and intent.

Audit Report Topic: Use of Comparative Testing Program Funds for the BOL Expendable Countermeasures Dispenser. (Project No. 7AE-0039.01)

IG Summary of Recommendations: The F-15 System Program Director provide the Program Manager for the Testing Program with approved integration and operational test plans.

Response: The OSD FCT PM concurs with this recommendation. The F-15 Systems Program Manager has already provided both the FCT Office and the DoD IGs Office with an approved and signed test plan outline for the first phase of qualification testing



IG Summary of Recommendations: The F-15 System Program Director provide Air Combat Command documentation showing its intent to budget procurement funds in the Program Objective Memorandum (POM) 2000 for the BOL Dispenser project.

Response: The OSD FCT PM concurs with this recommendation. The F-15 System Program Director has forwarded a signed letter from Air Combat Command (ACC) stating its intent to budget procurement funds in the POM for 2002 with ACC stating it will try to accelerate the procurement funding in the 2000 POM if the FCT project is successful.

IG Summary of Recommendations: The Program Manager for the Testing Program delay allocating additional funding to the BOL Dispenser project until the Air Force provides the required information. If the documentation is not provided then the program manager should cancel the BOL Dispenser project.

Response: The OSD FCT PM concurs with modification with this recommendation. As discussed with representatives of the DoD IG after attending the F-15 BOL Project meeting at the Air Force FCT office on 3 Dec 1997, the OSD FCT PM believed that the F-15 System Program Director would provide the necessary information by the suspense date, and therefore, the OSD FCT PM decided to immediately allocate funding to keep the project running. In the event the information was not provided or the ACC warfighter representative pulled support of the project, then the OSD PM would initiate action to cancel the project and pull back the funding at that time. As of 5 Jan 1998, the F-15 System Program Director has satisfied all the above issues.

Audit Report Topic: Reporting Foreign Comparative Testing project costs. (Project No. 7AE-0039.02)

IG Summary of Recommendations: The OSD FCT Office should provide specific guidance to Testing Program project managers on identifying and reporting funding contributions that the DoD Components make to support the Testing Program.

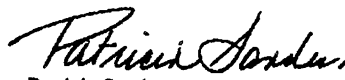
Response: The OSD FCT PM concurs with this recommendation. Specific guidance is included in the FCT handbook in final draft, and the FCT proposal format requires this information be included in each new proposal. Handbook will be finalized 15 March 1998.

IG Summary of Recommendations: The OSD FCT Office should track and summarize the costs that the DoD Components report and use the reported project cost information annually to help measure the continued cost-effectiveness of the Testing Program.

Director, Test, Systems Engineering and Evaluation Comments

Response: The OSD FCT PM concurs with recommendation. The OSD FCT Office is currently tracking the DoD Components funding contributions in the FCT Database (started tracking in September 97). The OSD FCT Office will summarize and use this information annually to help measure the continued cost effectiveness of the Testing Program.

I appreciate your efforts. My POC is Colonel Randall G. Catts, USA, 703/578-6578, e-mail: cattsg@acq.osd.mil.



Patricia Sanders
Director, Test, Systems
Engineering and Evaluation

Department of the Air Force Comments



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS WARNER ROBINS AIR LOGISTICS CENTER (AWRLC)

DEC 26 1997

MEMORANDUM FOR ACQUISITION MGMT DIRECTORATE, OFC OF THE ASST
INSPECTOR GENERAL FOR AUDITING, DOD

FROM: WR-ALC/LF B300
296 Cochran Ave
Robins AFB GA 31098-1622

SUBJECT: Response to Draft Audit Report on (Use of Foreign Comparative Testing (FCT) Program
Funds for the BOL Expendable Countermeasures Dispenser), Project #7AE-0039.01
(Your ltr to Under Secretary of Defense for Acquisition and Technology, 18 Nov 97)

1. The subject report concludes with two recommendations which are summarized and discussed below. We concur with the finding and first recommendation and will comply by the dates indicated in the discussion. We partially concur with second recommendation as described below.

2. Recommendation 1: "... Director, F-15 System Program Office, provide the Program Manager, Foreign Comparative Testing Program, with approved integration and operational test plans and Air Combat Command documentation showing its intent to budget procurement funds in the Program Objective Memorandum 2000 for the BOL Expendable Countermeasures Dispenser project."

a. The approved test procedure for the current Qualification Test and Evaluation (QT&E) phase is attached (Atrch 1). This is the detailed document which defines how the test is to be conducted and is typically not finalized until a week or two prior to start of the test. ASC/FBAWQ will provide the approved test plan for the operational phase, including the integration and Qualification Operational Test and Evaluation (QOT&E), by 1 July 1998. This will be a top-level test plan that will define the types of testing with overall test objectives.

b. Air Combat Command (ACC) documentation is contained in the attached letter (Atrch 2). BOL is submitted as a funded program starting in FY 2002. However, if the testing from the current phase (QT&E) is successful, ACC will try to accelerate production to an earlier start. The second phase of our BOL program is structured to support a FY 2002 production start, but it can easily be modified to coincide with an earlier start if that is ACC's desire. As it is currently laid out, our schedule is very conservative and could be shortened 10-12 months by conducting more of the front end tasks and the completion/reporting tasks in parallel. This would allow production contract award in mid-late FY 2000 or early FY 2001. We will be working closely with ACC relative to the production start date.



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* Omitted for length.

Department of the Air Force Comments

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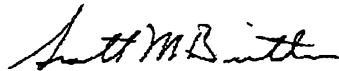
3. Recommendation 2: "... Program Manager, Foreign Comparative Testing Program: (a) Delay providing additional ... funding ... until F-15 System Program Office implements Recommendation 1; (b) Cancel the F-15 BOL ... project if the F-15 ... does not implement Recommendation 1."

a. While this is not directed at the F-15 SPO, we partially concur with the recommendation. We have provided the current test procedure/plan and indication of ACC commitment with this letter and will provide the QOT&E plan by July 1998. We believe this satisfies the intent of the recommendation and should be sufficient for release of the funding. This is a strong program with a high potential for success. A delay in additional funding until we can accomplish the entire first recommendation would essentially kill the program or cause significant restructure, potentially losing the momentum that will carry this program to full production. Therefore, we would request to the FCT program manager that FCT funding for the F-15 BOL be provided commensurate with our request in the FY98 Candidate Nomination Proposal (\$1.63M) as soon as possible. This is based on our agreement to complete Recommendation 1 by the date listed in paragraph 2a.

b. Since we agree to comply with Recommendation 1, cancellation of the F-15 BOL project is not necessary.

4. An additional factor in your consideration of our response is that interest in the BOL is swelling within the operational community. This is driven primarily by increased attention relative to the use of BOL to dispense infrared countermeasure (IRCM) expendables. Initial Navy testing with these items has created great enthusiasm for the potential to use the BOL IR expendables to defeat advanced threats. Our original plans included some IR testing, but because of these recent results, we are exploring ways to increase our testing in this area. This may be accomplished either in the current phase or QOT&E, or perhaps, as part of the Navy IR expendables program. If BOL provides effective IR as well as Radio Frequency (RF) countermeasure capability, its position will be enhanced even further as a priority solution for ACC funding.

5. I appreciate your consideration of our response and would be happy to discuss this if you have any further questions. My point of contact for this program is Anne Kreider, ASC/FBAWQ, DSN 785-5988, kreideab@vf.wpafb.af.mil.



SCOTT M. BRITTEN
Colonel, USAF
F-15 System Program Director

Attachments:

1. Approved Test Procedure (QT&E Phase) (pp. 43)
2. ACC Letter

cc: OSD FCT Program Office



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR COMBAT COMMAND
LANGLEY AIR FORCE BASE, VIRGINIA

16 DEC 1997

MEMORANDUM FOR ASC/FBAWQ
2300 D St., Room 110
WPAFB OH 45433-7249

FROM: HQ ACC/DRS
204 Dodd Blvd, Suite 226
Langley AFB VA 23665-2777

SUBJECT: ACC Programming Effort for the Bol Countermeasures Dispenser (CMD)

1. ACC is committed to investigate the Bol countermeasures dispenser as a solution for our advanced CMD requirement. The system continues to successfully compete in our Modernization Investment Plan for production funding to begin in FY02. We will advocate the capability during the FY00 POM build process within ACC.
2. Our desire is to complete the Bol Foreign Comparative Test program on the current schedule. Pending successful results of the test program, our desire will be to accelerate the procurement of the system prior to FY02.
3. POC is Lt Col Larry Moore, HQ ACC/DRSP, DSN 574-7490, larry.moore2@langley.af.mil.

RICHARD A. KIRKPATRICK, Colonel, USAF
Chief, Common Systems Division
Directorate of Requirements

Attachment 2

Global Power For America

Audit Team Members

The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, produced this report.

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